

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MDL No. 3076  
CASE NO. 1:23-md-03076-KMM

IN RE:

**FTX Cryptocurrency Exchange Collapse Litigation**

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THIS DOCUMENT RELATES TO ALL ACTIONS

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**PLAINTIFFS' REPLY TO MOTION TO APPOINT  
JUDGE MICHAEL A. HANZMAN, AS FTX SPECIAL MASTER**

The issue of whether to appoint a Special Master in this MDL was raised at the Initial Scheduling Conference. Appointing a Special Master has become more common in MDL litigation, especially under these circumstances, where the assigned Magistrate Judge is retiring before the end of this year. Plaintiffs agreed that a Special Master would be beneficial to the Court and the Parties, and immediately began researching for someone who could adequately fill that important role. Plaintiffs inquired of all Defendants: (1) whether they agreed to appoint a Special Master, and (2) to provide any suggested names. Judge Michael Hanzman was suggested, *in part*, because he is already serving as a Mediator, attempting to globally resolve some of these FTX claims. Whether to appoint a Special Master is a decision entirely within the discretion of this Court. Plaintiffs respectfully submit now may be a good time to move forward with this appointment for several reasons. Plaintiffs, of course, defer to the Court's discretion.

***First***, some of the FTX defendants (such as Deltec Bank, Moonstone Bank, and Mr. Jean Chalopin) recently stated they will raise a lack of personal jurisdiction as a defense in their upcoming motions to dismiss, which may necessitate a request for jurisdictional discovery.

***Second***, one of the most important functions of a Special Master (especially in an MDL)

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is to supervise and coordinate global mediation efforts. With proposed settlements now beginning to come together, a Special Master could serve a beneficial purpose. Plaintiffs respectfully suggest that Judge Hanzman is more than qualified for that role.

**Third**, after much investigation by various federal authorities, Plaintiffs respectfully suggest that it does not appear any of the named FTX Defendants will dispute: (1) that the FTX Exchange was a massive fraud, and (2) that FTX’s native crypto token (“FTT”), and Yield-Bearing Accounts (“YBA”), are securities, which should have been registered. Instead, this MDL will focus on whether, and which of the named Defendants, “aided and abetted” in FTX’s Fraud. A Special Master may be helpful in resolving such important, preliminary questions.

Plaintiffs respectfully submit that, all things considered, a Special Master would be helpful to “address pretrial … matters that cannot be effectively and timely addressed by an available district judge or magistrate judge of the district,” Fed. R. Civ. P. 53(a)(1)(C), but that decision is solely up to Your Honor and only this Court will decide the best manner to adjudicate this MDL.

Dated: August 16, 2023

Respectfully submitted,

<b>Plaintiffs’ Co-Lead Counsel in this MDL</b>	
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on August 16, 2023, a true and correct copy of the foregoing was filed electronically with the Clerk of the Court, by using the CM/ECF system which will send an electronic notification of such filing to all counsel of record.

By: /s/ Adam M. Moskowitz  
Adam M. Moskowitz